IT Initiative Supplement

February 25, 2010

I. Project Description

Project Title: KIDS Maintenance and Support
Brief Description of the Project Title: Kids Insurance Determination System (KIDS) supports Montana's Child Health Insurance Program (CHIP) which is operated in Montana as part of the Healthy Montana Kids Plan. Primary functions include eligibility determination, financial management, contracting and reporting. Enhancements and maintenance of the KIDS system is managed by the Technology Services Division (TSD) through a contract with an outside provider.

Statewide Priority: 1
Agency Priority: 1
Estimated Completion Date: FY2012
IT Project Biennium: FY2010-11, FY2012
Request Number:
Version:

Agency Number: 6901
Agency Name: Department of Public Health and Human Services
Program Number:
Program Name: Healthy Montana Kids Program

A. Type of Project (check all that apply)
> **Enhancement**   **X**
> **Replacement**   **X**
> **New**   **X**
> **O&M**

B. Type of System (check all that apply)
> **Mid-Tier**   **X**
> **Mainframe**
> **GIS**
> **Web**
> **Network**
> **Desktop**

II. Narrative

C. Executive Summary

Montana's HMK program includes children covered by both Medicaid and CHIP. While both populations are covered under the HMK program, they are two distinctly different programs from a federal prospective, including rules and regulations and funding differences.

Currently the data for the CHIP covered children is housed in the KIDS system. We have a project to move the data from KIDS into the CHIMES system to ensure seamless coverage of children whose circumstances cause them to move from one program to the other. Until the completion of that project, however, we still need to maintain the KIDS system.

Project Purpose and Objectives:

The purpose of the KIDS project is to ensure that we can meet the existing and new federal regulations for CHIP, as well as the state regulations for HMK. In addition, we need to ensure that we provide excellent service to the beneficiaries of the HMK program and minimize any delays in providing them this necessary coverage.

We must ensure that the KIDS system remains functional and efficient. This will include some smaller enhancements to the system to ensure we remain compliant with our federal standards and regulations, including the recent CHIPRA authorization. Due to the imminent replacement of the system, we will minimize the enhancements to only those that are absolutely necessary. This is likely to lead to more "showstoppers" requiring programmer intervention.

The primary objective of this project is to maintain the level of service we are providing to our customers through the KIDS system while meeting all federal and state requirements.

Technical Implementation Approach:

KIDS is written in ORACLE 91 and runs under an AIX operating system on IBM RS 6000 servers. We will continue to manage this system ensuring that it meets the programs needs, however, changes and enhancements will be minimal as we are moving to a modernized system solution for the HMK program.

Project Schedule and Milestones:

As this is a maintenance and operations project, there are no schedules or milestones.

D. Business and IT Problems Addressed

This project will ensure we meet the legislatively mandated requirements for the HMK program and the federal requirements for the CHIP program.

E. Alternative(s)

Alternatives Considered:

N/A

Rationale for Selection of Particular Alternative:

N/A

F. Narrative Detail

The HMK program is an important program for Montana's children. To ensure maintenance of the system in a cost-effective and efficient way TSD is in charge of the day to day management of the project.

III. Costs

G. Estimated Cost of Project:

Estimated Cost of Project		FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	Total	2013 Bien
1.	Personal Services - IT Staff							0	0
2.	Personal Services - Non IT Staff							0	0
3.	Contracted Services	357,816	443,333	555,600	138,900	138,900	138,900	1,773,449	694,500
4.	ITSD Services							0	0
5.	Hardware							0	0
6.	Software							0	0
7.	Telecommunications							0	0
8.	Maintenance							0	0
9.	Project Management							0	0
10.	IV & V							0	0
11.	Contingency							0	0
12.	Training							0	0
13.	Other							0	0
	Total Estimated Costs	357,816	443,333	555,600	138,900	138,900	138,900	1,773,449	694,500

Total Funding:

IV. Funding

H. Funding

Total Funding

Fund		FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	Total	
1.	01100	81,618	101,124	126,732	31,683	31,683	31,683	404,524	158,415
2.	03426	276,198	342,209	428,868	107,217	107,217	107,217	1,368,925	536,085
3.								0	0

4.							0	0
5.							0	0
6.							0	0
Total Estimated Costs	357,816	443,333	555,600	138,900	138,900	138,900	1,773,449	694,500

Cash/Bonded:

Bill Number:

V. Cost upon Completion

1. **Operating Costs upon Completion**
   This is an ongoing effort and does not have a completion date.

   FTE:

   Personal Services Costs:

   Operating Costs:

   Maintenance Expenses:

   Total Estimated Costs:

2. **Funding Recap**
   This is an ongoing effort and does not have a completion date.

   Fund Type:

   Amount:

   Total Funding:

V. Risk Assessment

A. Current IT Infrastructure Risks

1. Current application 10+ years old?   __NO_
     Date of last major upgrade?   KIDS – 2004

2. Current application is based on old technology?   Yes
   If yes, what is the current hardware platform, operating system, and programming languages used to support the application?

   KIDS is written in ORACLE 91 and runs under an AIX operating system on IBM RS 6000 servers.

3. Is the agency not capable of maintaining the current application with internal technical staff?
                                                                                       YES

   If yes, who supports the application today?

Northrop Gruman has the contract for both KIDS and CHIMES

4. Other IT infrastructure risks?   NO
   If yes, provide further detail.

B. Current Business Risks

1. What are the risks to the state if the project is not adopted?

DPHHS would not be in compliance with several state and federal mandates, including the HMK legislation.

2. Does the current application meet current business requirements?   NO
   If "no", what specific business functions does the application lack?

   With the two applications (KIDS and CHIMES) it is impossible to meet the legislative requirement of seamless eligibility.

C. Project Risk Assessment

1. Describe any major obstacles to successful implementation and discuss how those obstacles will be mitigated.

Table H   Risk Assessment

Description	Severity (H/M/L)	Probability of Occurrence (%)	Estimated Cost	Mitigation Strategy